

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Finance, to which was referred House Bill No. 1728, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 3, delete lines 39 through 42, begin a new line block indented
- 2 and insert:
- 3 **"(19) Add or subtract the amount necessary to make the**
- 4 **adjusted gross income of any taxpayer that owns property for**
- 5 **which bonus depreciation was allowed in the current taxable**
- 6 **year or in an earlier taxable year equal to the amount of**
- 7 **adjusted gross income that would have been computed had an**
- 8 **election not been made under Section 168(k)(2)(C)(iii) of the**
- 9 **Internal Revenue Code to apply bonus depreciation to the**
- 10 **property in the year that it was placed in service."**
- 11 Page 4, delete lines 1 through 2.
- 12 Page 4, delete lines 18 through 23, begin a new line block indented
- 13 and insert:
- 14 **"(5) Add or subtract the amount necessary to make the**
- 15 **adjusted gross income of any taxpayer that owns property for**
- 16 **which bonus depreciation was allowed in the current taxable**
- 17 **year or in an earlier taxable year equal to the amount of**
- 18 **adjusted gross income that would have been computed had an**
- 19 **election not been made under Section 168(k)(2)(C)(iii) of the**
- 20 **Internal Revenue Code to apply bonus depreciation to the**

1 **property in the year that it was placed in service."**

2 Page 4, delete lines 39 through 42, begin a new line block indented
3 and insert:

4 **"(5) Add or subtract the amount necessary to make the**
5 **adjusted gross income of any taxpayer that owns property for**
6 **which bonus depreciation was allowed in the current taxable**
7 **year or in an earlier taxable year equal to the amount of**
8 **adjusted gross income that would have been computed had an**
9 **election not been made under Section 168(k)(2)(C)(iii) of the**
10 **Internal Revenue Code to apply bonus depreciation to the**
11 **property in the year that it was placed in service."**

12 Page 5, delete lines 1 through 2.

13 Page 5, delete lines 18 through 23, begin a new line block indented
14 and insert:

15 **"(5) Add or subtract the amount necessary to make the**
16 **adjusted gross income of any taxpayer that owns property for**
17 **which bonus depreciation was allowed in the current taxable**
18 **year or in an earlier taxable year equal to the amount of**
19 **adjusted gross income that would have been computed had an**
20 **election not been made under Section 168(k)(2)(C)(iii) of the**
21 **Internal Revenue Code to apply bonus depreciation to the**
22 **property in the year that it was placed in service."**

23 Page 5, delete lines 34 through 39, begin a new line block indented
24 and insert:

25 **"(3) Add or subtract the amount necessary to make the**
26 **adjusted gross income of any taxpayer that owns property for**
27 **which bonus depreciation was allowed in the current taxable**
28 **year or in an earlier taxable year equal to the amount of**
29 **adjusted gross income that would have been computed had an**
30 **election not been made under Section 168(k)(2)(C)(iii) of the**
31 **Internal Revenue Code to apply bonus depreciation to the**
32 **property in the year that it was placed in service."**

33 Page 6, between lines 31 and 32, begin a new paragraph and insert:

34 **"SECTION 3. IC 6-3-1-33 IS ADDED TO THE INDIANA CODE**
35 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
36 **JANUARY 1, 2003 (RETROACTIVE)]: Sec. 33. As used in this**
37 **article, "bonus depreciation" means an amount equal to that part**
38 **of any depreciation allowance allowed in computing the taxpayer's**
39 **federal adjusted gross income or federal taxable income that is**
40 **attributable to the additional first-year special depreciation**
41 **allowance (bonus depreciation) for qualified property allowed**
42 **under Section 168(k) of the Internal Revenue Code."**

Page 7, delete lines 21 through 26, begin a new line double block indented and insert:

"(G) Add the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service."

Page 7, between lines 39 through 40, begin a new line double block indented and insert:

"(E) Subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation."

Page 8, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 5. IC 6-5.5-1-20 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 20. As used in this article, "bonus depreciation" means an amount equal to that part of any depreciation allowance allowed in computing the taxpayer's federal taxable income that is attributable to the additional first-year special depreciation allowance (bonus depreciation) for qualified property allowed under Section 168(k) of the Internal Revenue Code."

Page 9, between lines 15 and 16, begin a new paragraph and insert:

"(d) Not later than August 1, 2003, the department of state revenue shall issue a commissioner's directive or other written policy statement explaining how this SECTION and the amendments made by this act to IC 6-3-1-3.5 and IC 6-5.5-1-2 must be implemented by a taxpayer. The policy statement must be published in the Indiana Register."

Renumber all SECTIONS consecutively.

(Reference is to HB 1728 as printed February 19, 2003.)

and when so amended that said bill do pass .

Committee Vote: Yeas 13, Nays 0.

Senator Borst, Chairperson